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DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[B-03-2018]

Foreign-Trade Zone (FTZ) 40 – Cleveland, Ohio; Notification of Proposed Production Activity; Swagelok Company; (Valve Component Parts); Solon, Willoughby Hills, Highland Heights, and Strongsville, Ohio

The Cleveland-Cuyahoga County Port Authority, grantee of FTZ 40, submitted a notification of proposed production activity to the FTZ Board on behalf of Swagelok Company (Swagelok) located in Solon, Willoughby Hills, Highland Heights, and Strongsville, Ohio. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on December 26, 2017.

The Swagelok facilities are located within Subzone 40I. The facilities are used for production of industrial fittings, finished valves, pressure reducing valves, and regulators. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status materials and components and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Swagelok from customs duty payments on the foreign-status components used in export production (estimated at 13 percent of production). On its domestic sales, for the foreign-status materials/components noted below, Swagelok would be able to choose the duty rates

during customs entry procedures that apply to: high pressure reinforced plastic hoses; teflon tubing; plastic tubing with fittings; polytetrafluoroethylene and plastic hoses; plastic and nylon fittings and nuts; plastic and teflon ferrules; rubber hoses with and without fittings; rubber hoses with fittings reinforced or otherwise combined with textile materials; non-alloy steel seamless tubing; stainless steel tubing; welded stainless steel tubing; stainless steel flanges; straight or shaped stainless steel fittings; stainless steel butt-weld fittings; threaded, unthreaded, and welded-ends stainless steel fittings; machined flanges of alloy steel not including stainless; straight or shaped steel fittings; steel butt-welded fittings; steel adapter fittings without threads; brass tubes used in brass valve assemblies; brass fittings used in brass valve assemblies; brass fitting ferrules; nuts and ferrule sets used in brass fittings; nickel-chromium alloy tubing; nickel alloy fittings; aluminum ferrules, nuts, and ferrule kits; stainless steel flexible metal tubing; steel flexible tubing with fittings; pressure reducing valves; hydraulic solenoid valves; check valves; relief valves, and diaphragm valves (duty rate ranges from duty-free to 6.2%). Swagelok would be able to avoid duty on foreign-status components which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The components and materials sourced from abroad include: plastic caps used for component protection in shipping; teflon O-rings for valve connections; rubber gaskets and O-rings to prevent leakage; rubber gripper pads; rubber grommets; rubber bands used in valve applications; grafoil packing; replacement safety glass for pressure gauge lenses; glass face plates for gauges; forged non-alloy steel bars; carbon steel barstock; forged rods; cold finished steel bars; circular, hot formed or extruded hot rolled

stainless steel; cold formed stainless steel bars; circular bars or rods of stainless steel barstock; steel angled shapes and sections to be used in valve bodies; unmachined stainless steel flanges; empty sample cylinders for compressed gases or liquids; self-tapping screws of various sizes for valve assemblies; nuts and bolts; steel screws; threaded hardware for valves; nuts for tube support systems; lock and spring washers; stainless steel washers; cotter pins and retaining rings; steel and stainless steel non-threaded hardware; helical springs; spring kits; disc springs for tube supports; circular or hex brass barstock; square copper alloy barstock to machine fittings; brass tube plugs; brass sleeves; nickel alloy barstock; nickel alloy gaskets; aluminum barstock; lead seals for valves; titanium barstock; steel and stainless steel clamps; steel mountings for valve applications; brackets for valve applications; hydraulic motors to open and close valves; non-linear acting air operators to open and close valves; air operator carbon steel mufflers and filters; air and liquid pumps; filters for liquids and gases; filter elements; cutting dies; drill inserts; cut-off blade bases; grooving insert holders; pigging machines - push-on tool assembly; valve and regulator poppets; linear, ball or radial bearings to be used in pumps; bearing housings for plain shaft bearings to be used in pumps; ball or roller screws for gears; machine clutches used in fitting manufacturing machines; rubber, plastic, and steel O-ring sets; direct current (DC) motors between 37.5 watts and 74.6 watts to open and close valves; DC motors between 750 watts and 14.92 kilowatts to open and close valves; alternating current (AC) electric actuators to open and close valves; multiphase AC motors to open and close valves; power supplies or converters; welding machine weld heads; heater cartridges for regulators; transceivers; optical projectors used in valve assemblies; indicator panels for alarms; power

connection and termination kits; limit and proximity switches; crimp terminals; insulated ring terminals; butt connectors; electrical controllers; USB power cables or cords; panel faces for valve assembly controllers; lasers used for valve assemblies; thermometers; flow sensors for measuring and checking pressure; pressure gauges; pressure gauge cable fittings - fill plugs and steam syphons; inspection gauges; and, temperature control instruments (duty rate ranges from duty-free to 15%). The request indicates that the following components are subject to antidumping/countervailing duty (AD/CVD) orders if imported from certain countries: carbon steel barstock; hot rolled stainless steel; stainless steel bars; stainless steel barstock; empty sample cylinders for compressed gases or liquids; bolts with nuts; steel screws; threaded hardware for valves; lock and spring washers; helical springs or kits; disc springs for tube supports; brass tube plugs; brass sleeves; brackets for valve applications; parts for hose crimping machines; pigging machines; push-on tool assemblies; bearing housings for plain shaft bearings to be used in pumps; DC motors between 37.5 watts and 74.6 watts to open and close valves; and, heater cartridges for regulators. The FTZ Board's regulations (15 CFR 400.14(e)) require that merchandise subject to AD/CVD orders, or items which would be otherwise subject to suspension of liquidation under AD/CVD procedures if they entered U.S. customs territory, be admitted to the zone in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 21013, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230-0002, and in the "Reading Room" section of the Board's website, which is accessible via www.trade.gov/ftz.

For further information, contact Christopher Wedderburn at Chris.Wedderburn@trade.gov or (202) 482-1963.

Dated: January 8, 2018.

Andrew McGilvray,

Executive Secretary.

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